

The North Dakota Department of Human Services (DHS) will soon begin distributing all Temporary Assistance for Needy Families (TANF) benefits and some child support payments through a Visa branded electronic debit card issued by U. S. Bank. This change should eliminate difficulties with lost, stolen, or improperly transacted TANF and child support checks. North Dakota has partnered with Colorado, Nebraska, and South Dakota in this effort.

Beginning September 13, 2004, child support payments will be issued via direct deposit or through the card. TANF benefits for new cases will be issued on the card beginning September 13, 2004. Ongoing TANF cases will be issued benefits through the card beginning October 1, 2004. The first large usage of the card will be during the first week of October.

If your institution is cashing TANF or child support checks now, these customers will probably continue to come to you with their debit cards. As North Dakota cardholders adjust to the debit cards, we expect an increase in point of sale usage and a decrease in cash withdrawals. ATM usage may increase. This would mirror Colorado's experience with debit cards.

Use of the card will not change the amount of benefits or payments issued. In July 2004, DHS issued about \$940,000 in TANF benefits to 2,839 families (average benefit=\$332). About 90 percent of the TANF benefits are issued on the first business day of the month.

DHS also issues about \$7,000,000 in child support payments each month. Payment volume coincides with payrolls, with about 25 percent of the payments made at the beginning of the month and another small peak at mid-month.

Information for financial institutions

- The card is accepted anywhere Visa debit cards are accepted. Your institution can perform a cash advance transaction on it as with any Visa card.
- Demands on ATMs and for cash advances will likely be higher at the beginning of each month, just as the demand for check cashing is now. While total demand for cash shouldn't increase, the amounts of cash accessed through ATMs may increase with the discontinuation of check issuance.
- If a cardholder visits your institution and has trouble completing a cash transaction with the card, please direct the cardholder to an ATM to check the card's balance. A cardholder may also call the customer service number on the back of the card for balance information.
- Some cardholders will be unfamiliar with electronic banking and may initially seek advice and direction on the use of the card. Please accommodate these inquiries, or direct the cardholder to contact the customer service number on the back of the card.